

“As I walked by the Eiffel Tower and under the great pyramid of Egypt, I soon boarded the HMS Britannia in Buccaneer Bay, crossing the street to stroll the gondola-filled Canals of old Venice. I was still early for the morning’s first appointment, and I knew this could only be Las Vegas—U.S. capital of adult excess, desert gambling (nicknamed “Lost Wages” by some), and home to the National Association of Broadcasters (NAB) convention, (continued)

## NAB 2002 Convergence Market – The Thrill Was Gone

By Howard Greenfield



Paris' Eiffel tower, Nevada.

world’s largest annual showcase and general assembly of the broadcast industry. It’s an occasion to look forward to for many reasons. The sheer scale of attendance, though down this year five to ten percent by some accounts, ensures an exceptional setting to meet industry VIPs, learn about the newest products and technologies, and set a course for the next year in a rapidly evolving industry.

NAB accurately calls itself the “Convergence MarketPlace” where broadcast intersects with software, the Internet, and new media publishing. All the promising new applications and services for media, business, and even the home are on display. In addition to the latest professional digital cameras, news helicopters, cameras, wall monitors, broadcast routers and switchers, there’s never any shortage of enthralling, just-released tools and solutions for 3-D movies, asset management, video streaming, and special effects—pleasing to the creative eye and ear, often challenging to the imagination.

I was struck by a few developments in particular. An interesting debate on the proposed merger between EchoStar and DirecTV was troubling to some. Satellite Industry Relations’ Harry Thibedeau seeing this as a significant step toward a national video and high-speed Internet monopoly stated “if this merger goes through and you live in rural America, you’ll see what [EchoStar’s chairman] Charlie Ergen wants you to see.” Sony showed its DVCAM hard-disk unit for simultaneous disk and tape-based recording, and announced it is now supported by Adobe, Apple, and Avid. There was a very impressive unveiling of the JVC Streamcorder. Fitting in an ordinary briefcase, this is at once a hand-held broadcast quality camera with the ability to record to tape, as well as to record to digital memory, compress to MPEG-4 or simultaneously stream to the Internet. TVWorldwide’s Ken Satuchi said “we gave this camera a workout, even using wireless microphones...and on a scale from one to ten, I give it a ten”. For content creation and effects, Discreet’s large booth township hosted a variety of new non-linear post-production offerings, as did competitor 5D showing the new version of its Cyborg effects editor working smoothly across different resolutions, bit-depths and frame-rates. There was plenty to see from computer greats Sun, Apple, HP, IBM, Adobe and representation from the Telco giants. BT Broadcast Services showed off its corporate Enfocus system which it has recently announced will be implemented with Enformatica Limited as the world’s largest



NAB vendors display every kind of hardware, including helicopters.

interactive business TV network.

It all sounds upbeat. So, why did so many of us sense something missing and feel a mild case of the blues coming on? No one had the answer, but I'm working on a few explanations. A friend of mine said "this show is like a fire hose, but this year it seems to be more about financial advantage than creative ideas and applications". Normally, higher attendance and large crowds make getting around the town's convention venues a nuisance. But that same crowded intensity generates an exciting frenzy and buzz of conversations, interest, and ideas. Normally, the industry economics are eclipsed by visionary excitement: new tools, methods, in creating content for the broadcast, entertainment, and corporate environments alike. This year, it seemed to be about *the business* of it all. Lots of keynote allusions to an industry about to "shape the way new methods of distributing and interacting with content affect our business" as AOL's COO Richard Parsons suggested. However, the thrill was gone, the driving force seemed to be about rescuing one's company and career from financial difficulties. I suppose you didn't really have to be in Las Vegas to recognize the underlying causes: a recent lingering recession, the post dot-com bust, less post-September 11<sup>th</sup> travel, decreased funding for challenging, new projects, and an obscene emphasis on "bottom-line results". Of course, these factors are evident whether you sit in London, Belgium, or Boston. But at the convention, an ominous sense of reversion to the business basics felt like a descent "back to the boring". Microsoft's Monday night party atop the forty-three story of the Mandalay Bay hotel (will someone tell my why it's called the "Foundation Room" up there?) didn't seem like the outpost of a new inventive industry. It had a business atmosphere like an accounting practice, instead of a new generation of wound-up creatives rallying for the digital revolution.



**An NAB crowd this year of around 100,000 people.**

OK, this is all one man's opinion. But though this year's NAB was mainly a display of new products for sale, lacking in bold, new ideas, I have to concede that no one can refute Parsons' closing remarks that the best is still ahead of us. On harnessing new digital interactive "convergence" capabilities his words were: "The opportunities have never been more promising, the challenges never more daunting, the stakes never higher. But ladies and gentlemen, it's ours to lose."

It's a let down to experience flatter business conditions. But if we consider that many experts refer to a slow, steady thirty year growth cycle to major new products and inventions, this "convergence market" is still in early days, and the real excitement around broadband access, digital services, and the merge of interactive video, business, publishing, and entertainment is all yet to come. Perhaps most unwise would be to underestimate what is around the corner in 2003 and beyond – an unstoppable resurgence in innovation, despite economic phases and tumbles. So, the next time you're walking through France, Egypt, Italy, Malaysia, and New York on the same block, volcanoes and geysers erupting as you go, you'll know your not only in the fastest growing city in the U.S., but in the digital media heartland where the party is just getting started.

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## About the Writer



Howard Greenfield is a freelance writer who has held leadership roles in Fortune 1000 and some of Silicon Valley's top companies including Sun Microsystems, Informix Software, General Foods/Kraft, University of California, Apple Computer and was VP, Product Marketing at Obvious Technology and Sofface. He is principal of Go Associates, a leading consultancy that develops and implements high-tech product marketing and business development strategies. Howard also currently serves on the board of BlueVoice, a non-profit marine life preservation organization.